GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:6290
ANSWERED ON:06.05.2005
LOAN OF NALCO
Nayak Shri Ananta

Will the Minister of MINES be pleased to state:

(a) whether NALCO has repaid the loan taken from different financial institutions;

(b) if so, the details thereof, till date;

(c) the steps taken by NALCO to increase the production;

(d) if so, the details thereof; and

(e) the target set for 2005-06 financial year?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF MINES (DR. DASARI NARAYANA RAO)

(a) : Yes, Sir.

(b) : The details of secured loans repaid are as under:

(i) On capital restructuring made in March, 1999, 50% of the then existing equity capital of the company amounting to Rs. 641.31 crore was converted into non-convertible redeemable debentures carrying interest at 14.5% payable semi annually. The redemption has been made in three equal installments in March, 2003, March, 2004 and March, 2005. The third and last installment of Rs. 214.39 crore was repaid on 25.3.2005.

(ii) 8.6% non-convertible secured redeemable taxable bonds of Rs. 210 crore redeemable on 15.11.2004 and Rs. 90 crore redeemable on 15.2.2005 totaling to Rs. 300 crore has been repaid on the respective redemption dates.

(iii) 8.6% non-convertible secured redeemable taxable bonds redeemable on 21.3.2007 with put and call option at the end of 3rd year (21.3.2005). The call option has been exercised on the full amount of Rs. 140 crore which has been redeemed on 21.3.2005.

With the above redemption, NALCO became a debt free company as on 25.3.2005 and continues to be so.

(c) & (d): In order to increase production capacity of NALCO Government on 26.10.2004 has approved the 2nd phase expansion programme of NALCO involving an investment of Rs. 4091.51 crore. As per plan, 50% of this estimated cost would be met mainly through internal accruals of the company and balance would come from external borrowings in phases. The project would be completed within a time frame of 50 months from the date of Government approval.

In the 2nd phase, the company plans to raise the Bauxite Mines capacity from 48,00,000 Tonne Per Year (TPY) to 63,00,000 TPY, Alumina Refinery capacity from 15,75,000 TPY to 21,00,000 TPY, Aluminium Smelter capacity from 3,45,000 TPY to 4,60,000 TPY and power generation from 960 MW to 1200 MW.

(e): The target set for the year 2005-06 is as under:

Item Bauxite Alumina Aluminium Net Power Generation

Unit	Metric Tonnes	Metric Tonnes	Metric Tonnes	Million Units
Target	48,00,000	15,75,000	3,45,000	5601